

The Coca-Cola Company

TICKER:
NYSE: KO

MARKET CAPITALIZATION:
US\$ 176 billion

HEADQUARTERS:
United States

2 OUT OF 20

Company’s Overall Ranking

58 OUT OF 100

Company’s Overall Score

The Coca-Cola Company (Coca-Cola) ranks second on the benchmark, demonstrating a higher degree of transparency and disclosure on its approach to managing forced labor and human trafficking risks in its supply chain relative to its peers. The company ranks amongst the top three companies in five thematic areas, including commitment and governance, traceability and risk assessment, and purchasing practices, among others. Coca-Cola has a strong governance system in place for addressing forced labor in its own operations and in its supply chain, strong purchasing practices, and a strong recruitment approach. The company can improve its performance by auditing recruiters used in its supply chain and improving and disclosing its practices in the areas of worker voice and remedy.

THEME LEVEL SCORE

Commitment and Governance	96 out of 100
Traceability and Risk Assessment	75 out of 100
Purchasing Practices	63 out of 100
Recruitment	33 out of 100
Worker Voice	23 out of 100
Monitoring	68 out of 100
Remedy	50 out of 100

LEADING PRACTICES

Risk Assessment

In 2013, Coca-Cola began to examine key human rights risks for its agricultural supply chain. Working with a third party, the company has conducted country-level forced and child labor risk assessments on its sugar supply chain. To date, the company has published studies for Brazil, Colombia, Guatemala, El Salvador, and Honduras. Coca-Cola is aiming complete 28 studies by 2020. Each report includes extensive information on the forced labor risks, alongside other risks, identified in the country.

Audit Disclosure

In 2014, Coca-Cola enhanced its social audit protocol to include a review of land rights and to place a greater emphasis on migrant workers. Further, the company discloses a list of commonly used audit firms, which includes STR, Intertek, SGS, Partner Africa, and Insight Compliance.



NOTABLE FINDINGS

Commitment & Governance

Coca-Cola has a strong commitment to addressing forced labor and subsequent supply chain standards that include a prohibition on forced labor. The company's Director of Global Workplace Rights is charged with ensuring that the global Coca-Cola system abides by the company's Human Rights Policy and that Coca-Cola's supply chain complies with the company's Supplier Guiding Principles. In addition, Coca-Cola trains its associates annually on its Human Rights Policy, which includes the prohibition of forced labor, and has also invested in capacity building initiatives for its suppliers on human rights and its related standards. Coca-Cola participates in numerous multi-stakeholder initiatives focused on forced labor, including being a founding member of the Global Business Coalition Against Human Trafficking and Leadership Group for Responsible Recruitment.

Purchasing Practices

Coca-Cola operates a "local business model" in which it pursues longer-term relationships with suppliers, allowing the company to "alleviate some risks associated with forced labor". Suppliers wishing to do business with the company are required to complete a Supplier Guiding Principles audit which includes an assessment of forced labor risks. Furthermore, Coca-Cola's Supplier Guiding Principles are included in all of its contractual agreements with its direct and authorized suppliers.

Recruitment Approach & Fees

Coca-Cola publicly commits to three principles related to the recruitment and employment of workers: "1. Employment terms are represented in a truthful, clear manner and in the language understood by workers prior to employment; 2. Workers do not pay recruitment, placement or transportation fees; 3. Workers have access to personal identity documents." Further, the company's Human and Workplace Issue Guidance, which supports the Supplier Guiding Principles, addresses respect for the rights of migrant workers through recruitment practices and by committing that no fees be charged to workers and that such fees are reimbursed in the event that they are discovered.

OPPORTUNITIES FOR IMPROVEMENT

Recruitment

While Coca-Cola's recruitment approach is strong compared to its peers, the company has opportunities to strengthen its policies and practices further by encouraging suppliers to directly employ workers and, where this is not possible, to audit recruitment agencies. Further, the company may wish to consider disclosing a process by which it ensures that in the event it discovers that fees have been paid, fees are reimbursed to supply chain workers.

Worker Voice

Although the company discloses its Human Rights Policy in several languages, it is encouraged to disclose how it communicates relevant forced labor policies and standards to workers in its supply chain. It is also encouraged to disclose evidence that it engages with workers outside of the context of their workplace on their workplace rights. Further, the company may consider encouraging suppliers to ensure workplace environments in which workers are able to pursue alternative forms of organizing where there are regulatory constraints on freedom of association.

Remedy Programs

Coca-Cola states in its Workplace Rights Implementation Guide that suppliers must have remediation programs in place when workers' rights are found to have been violated. However, the company may consider developing and disclosing its own remedy programs to ensure supply chain workers receive remedy when their rights are violated and report the outcomes of such a program.

COMPANY PROVIDED ADDITIONAL DISCLOSURE:



Yes.

